



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 8.11.2007
COM(2007) 688 final

Proposal for a

COUNCIL DECISION

on the signing and the provisional application of a bilateral agreement in the form of an exchange of letters between the European Community and the Republic of Belarus amending the Agreement between the European Community and the Republic of Belarus on trade in textile products

(presented by the Commission)

EXPLANATORY MEMORANDUM

1) CONTEXT OF THE PROPOSAL

- **Grounds for and objectives of the proposal**

The bilateral agreement on trade in textile products between the European Community and the Republic of Belarus will expire on 31 December 2007. The proposal provides for a one year extension of the present textiles agreement until 31 December 2008 and moderate adjustments in some quantitative limits. Within the framework provided by the negotiating directives, for the sake of administrative economy the Commission proposed to Belarus to extend the Agreement for two years. Belarus, however, did not accept to proceed to an extension beyond 2008.

- **General context**

The bilateral agreement regulating trade in textiles with the Republic of Belarus, initialled on 1 April 1993, has not been signed nor ratified by Belarus so far. It has been continuously applied *de facto*, however, since 1993 and it has been amended on several occasions. The current version of this agreement includes tariff commitments on the side of the Republic of Belarus (tariffs largely similar to EU levels) and a snapback clause in case of the non-respect of those tariff levels. Quantitative restrictions are in place for 34 textiles and clothing categories.

In the absence of this arrangement, the Republic of Belarus may increase its import duties and introduce other import restrictions, to the detriment of EU exports.

- **Existing provisions in the area of the proposal**

OJ L 123, 17.5.1994, p. 1., OJ L 94, 26.4.1995, p.44, OJ L 81, 30.3.1996, OJ L 336, 29.12.1999, p. 26., OJ L 345, 31.12.2003, p. 150., OJ L 72, 18.3.2005, p. 18., OJ L 345, 28.12.2005, p. 21., OJ L 384, 29.12.2006, p. 98.

- **Consistency with the other policies and objectives of the Union**

In view of the political situation prevailing in Belarus, the proposed amendment maintains the restrictive regime from the previous years. In 2008 Belarus would be one amongst very few countries subject to textile quotas with the EU.

2) CONSULTATION OF INTERESTED PARTIES AND IMPACT ASSESSMENT

- **Consultation of interested parties**

This Decision provides for the signature and the provisional application of an international trade agreement amending an agreement that otherwise would have expired. No formal consultation is necessary.

- **Collection and use of expertise**

There was no need for external expertise.

- **Impact assessment**

Impacts have been assessed in the course of the negotiations of the international agreement.

It was therefore not necessary to conduct an impact assessment of this measure.

3) LEGAL ELEMENTS OF THE PROPOSAL

- **Summary of the proposed action**

The proposal provides for an extension of the present textiles agreement until 31 December 2008.

There will be no particular negative effects or risks for developing countries.

- **Legal basis**

Article 133 of the Treaty establishing the EC.

- **Subsidiarity principle**

The proposal falls under the exclusive competence of the Community. The subsidiarity principle therefore does not apply.

- **Choice of instruments**

Proposed instruments: decision.

The confirmation of the practice followed in previous years appears to be the most efficient way of revising and maintaining measures applicable to trade in textile products with Belarus.

4) BUDGETARY IMPLICATION

The proposal has no implication for the Community budget.

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THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 133 in conjunction with Article 300, paragraph 2, first sentence thereof,

Having regard to the proposal from the Commission,

Whereas:

- (1) The Commission has negotiated on behalf of the Community a bilateral agreement to extend for one year the existing bilateral agreement and protocols on trade in textile products with the Republic of Belarus, with some adjustments of the quantitative limits.
- (2) This bilateral agreement should be applied on a provisional basis as of 1 January 2008, pending the completion of procedures required for its conclusion, subject to the reciprocal provisional application by the Republic of Belarus.
- (3) The proposed agreement should be signed on behalf of the Community,

HAS DECIDED AS FOLLOWS:

Article 1

Subject to a possible conclusion at a later date, the President of the Council is hereby authorised to designate the persons empowered to sign on behalf of the European Community the agreement in the form of an Exchange of Letters between the European Community and the Republic of Belarus amending the Agreement between the European Community and the Republic of Belarus on trade in textile products initialled on 1 April 1993, as last amended and extended by the agreement in the form of an Exchange of Letters initialled on 27 October 2006.

Article 2

Subject to reciprocity, the Agreement shall be applied on a provisional basis, pending its formal conclusion, from 1 January 2008.

The text of the agreement in the form of an Exchange of Letters is attached to this Decision.

Article 3

1. If the Republic of Belarus fails to respect paragraph 2.4 of the annexed agreement, the quota for 2008 will be reduced to the levels applicable in 2007.
2. The decision to implement paragraph 1 shall be taken in accordance with the procedures referred to in Article 17 of Council Regulation (EEC) No 3030/93 of 12 October 1993 on common rules for imports of certain textile products from third countries¹.

Article 4

This Decision shall be published in the Official Journal of the European Union.

It shall enter into force the day after its publication in the Official Journal.

Done at Brussels,

For the Council
The President

¹ OJ L 275, 8.11.1993, p. 1. Regulation last amended by Council Regulation (EC) No 54/2007 of 22 January 2007 (OJ L 18, 25.1.2007, p. 1) and corrigendum (OJ L 142, 5.6.2007, p. 23).

ANNEX

AGREEMENT in the form of an Exchange of Letters between the European Community and the Republic of Belarus amending the Agreement between the European Community and the Republic of Belarus on trade in textile products

Letter from the Council of the European Union

Sir,

1. I have the honour to refer to the Agreement between the European Community and the Republic of Belarus on trade in textile products initialled on 1 April 1993, as last amended and extended by the Agreement in the form of an Exchange of Letters initialled on 27 October 2006 (hereafter referred to as the 'Agreement').
2. In view of the expiry of the Agreement on 31 December 2007 and in accordance with Article 19(1) of the Agreement, the European Community and the Republic of Belarus agree to extend the duration of the Agreement, for a further period of one year, subject to the following amendments and conditions:
 - 2.1. The text of Article 19(1) of the Agreement shall read as follows:

'This Agreement shall enter into force on the first day of the month following the date on which the Parties notify each other of the completion of the procedures necessary for that purpose. It shall be applicable until 31 December 2008.'
 - 2.2. Annex II which sets out the quantitative restrictions for exports from the Republic of Belarus to the European Community is replaced by Appendix 1 to this letter.
 - 2.3. The Annex to Protocol C which sets out the quantitative restrictions for exports from the Republic of Belarus to the European Community after OPT operations in the Republic of Belarus is replaced for the period of 1 January 2008 to 31 December 2008 by Appendix 2 to this letter.
 - 2.4. Imports into Belarus of textile and clothing products of European Community origin shall be subject in 2008 to custom duties not exceeding those provided for 2003 in Appendix 4 of the Agreement in the form of an Exchange of Letters between the European Community and the Republic of Belarus initialled on 11 November 1999.

In the case of non-application of these rates the Community will have the right to reintroduce for the period of the agreement remaining unexpired on a pro rata basis the levels for quantitative restrictions applicable for 2007 as specified in the Exchange of Letters initialled on 27 October 2006.
3. The European Community and Belarus recall their agreement to enter into consultations not later than six months before the expiration of the present Agreement with a view to possibly concluding a new agreement.

4. Should the Republic of Belarus become a Member of the World Trade Organisation (WTO) before the date of the expiry of the Agreement, the agreements and rules of the WTO shall be applied from the date of the Republic of Belarus' accession to the WTO.
5. I should be obliged if you could kindly confirm the acceptance of your Government of the foregoing. Should this be the case, this agreement in the form of an Exchange of Letters shall enter into force on the first day of the month following the day on which the Parties have notified each other that the legal procedures necessary to this end have been completed. In the meantime, it shall be applied provisionally from 1 January 2008 on the condition of reciprocity.

Please accept, Sir, the assurance of my highest consideration.

For the European Community

Appendix 1

'Annex II

Belarus	Category	unit	Quota as from 1 January 08
Group IA	1	tonnes	1 586
	2	tonnes	7 307
	3	tonnes	242
Group IB	4	T pieces	1 839
	5	T pieces	1 105
	6	T pieces	1 705
	7	T pieces	1 377
	8	T pieces	1 160
Group IIA	9	tonnes	363
	20	tonnes	329
	22	tonnes	524
	23	tonnes	255
	39	tonnes	241
Group IIB	12	T pairs	5 959
	13	T pieces	2 651
	15	T pieces	1 726
	16	T pieces	186
	21	T pieces	930
	24	T pieces	844
	26/27	T pieces	1 117
	29	T pieces	468
	73	T pieces	329
	83	tonnes	184
Group IIIA	33	tonnes	387
	36	tonnes	1 312
	37	tonnes	463
	50	tonnes	207
Group IIIB	67	tonnes	359
	74	T pieces	377
	90	tonnes	208
Group IV	115	tonnes	322
	117	tonnes	2 543
	118	tonnes	471

T pieces: thousand of pieces

Appendix 2

Annex to Protocol C

Category	Unit	As from 1 January 2008
4	1 000 pieces	6 190
5	1 000 pieces	8 628
6	1 000 pieces	11 508
7	1 000 pieces	8 638
8	1 000 pieces	2 941
12	1 000 pieces	5 815
13	1 000 pieces	911
15	1 000 pieces	5 044
16	1 000 pieces	1 027
21	1 000 pieces	3 356
24	1 000 pieces	864
26/27	1 000 pieces	4 206
29	1 000 pieces	1 705
73	1 000 pieces	6 535
83	Tonnes	868
74	1 000 pieces	1 140

Letter from the Government of the Republic of Belarus

Sir,

I have the honour to acknowledge receipt of your letter of which reads as follows:

“ Sir,

1. I have the honour to refer to the Agreement between the European Community and the Republic of Belarus on trade in textile products initialled on 1 April 1993, as last amended and extended by the Agreement in the form of an Exchange of Letters initialled on 27 October 2006 (hereafter referred to as the 'Agreement').
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3. The European Community and Belarus recall their agreement to enter into consultations not later than six months before the expiration of the present Agreement with a view to possibly concluding a new agreement.

4. Should the Republic of Belarus become a Member of the World Trade Organisation (WTO) before the date of the expiry of the Agreement, the agreements and rules of the WTO shall be applied from the date of the Republic of Belarus' accession to the WTO.
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Please accept, Sir, the assurance of my highest consideration.”

I have the honour to confirm that my Government is in agreement with the content of your letter.

Please accept, Sir, the assurance of my highest consideration.

For the Government of the Republic of Belarus